

Coal Severance Grants and *HB 267 Line-Items* Program Guidelines
Kentucky Community Development Office
Governor's Office for Local Development

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DISCLAIMER

The Local Government Economic Development Fund (LGEDF) program guidelines have been assembled from the statutory requirements found in Kentucky Revised Statute (KRS) 42.4582-42.460, the programmatic policies and procedures established by the Governor’s Office for Local Development (GOLD) and the Kentucky Community Development Office (KCDO), previous guidelines developed by the Cabinet for Economic Development, as well as various Executive Orders. Statutory changes made by the Kentucky General Assembly after the date found on the cover page of these guidelines may affect the applicability and accuracy of the following information. Under authority granted by statute, Executive Order and GOLD, these policies and procedures are subject to case specific interpretation by the commissioner of GOLD, general counsel of GOLD and/or the executive director of KCDO. Any project specific requirements will not be contrary to the statutory requirements of, and the Executive Orders pertaining to, the Local Government Economic Development Program (LGEDP).

I. OVERVIEW OF THE LOCAL GOVERNMENT ECONOMIC DEVELOPMENT PROGRAM (LGEDP)

A. Purpose of the Program

KRS 42.4588 establishes the Local Government Economic Development Program (LGEDP) to provide grants of coal severance and processing tax revenues to coal-producing counties. Grants are made from this program, commonly referred to as the Local Government Economic Development Fund (LGEDF), to assist eligible counties in diversifying their local economies beyond coal production.

Created in 1992, the program provides LGEDF grants to help make communities attractive to new manufacturing and service industries, as well as to help eligible existing businesses expand. Traditionally, emphasis has been placed on identifying and implementing industrial development projects that will produce the most and best jobs for the least expenditure of funds.

Pursuant to HB 267, the Fiscal Year (FY) 2005 - FY 2006 biennial budget of the Commonwealth, grants may also be made from this program to support nonrecurring investments in:

- (a) public health and safety;
- (b) economic development;
- (c) public infrastructure;
- (d) information technology development and access; and
- (e) public water and wastewater development.

Such awards will be made with the concurrence of both the respective fiscal court and the Governor's Office for Local Development (GOLD) or the Kentucky Infrastructure Authority (KIA), as appropriate. By Executive Order, KCDO has been established within GOLD and the responsibility for administering the LGEDP has been transferred from the Cabinet for Economic Development and the Kentucky Economic Development Finance Authority (KEDFA) to KCDO with final grant award decisions reserved for the commissioner of GOLD.

B. Allocation of Coal Severance Tax Receipts Paid into the LGEDF

The LGEDF serves as the repository for a portion of coal severance and processing tax receipts transferred from the general fund. These taxes are collected and added to the LGEDF on a quarterly basis. The state budget enacted in the 2005 Regular Legislative Session for the 2005-2006 biennium provides that 35% of total coal severance and processing tax receipts will be allocated to the LGEDF. An additional 15% is transferred to the Local Government Economic Assistance Fund (LGEAF), a separate tax sharing program for cities and counties administered by GOLD through KCDO.

The state budget authorized that certain coal severance tax receipts be set-aside for specific projects in fiscal years 2005 and 2006. Funds for these special projects are made available from coal severance tax receipts prior to the authorized allocation being placed into the LGEDF.

In addition to the set-asides, the budget authorized numerous projects listed in HB 267 and known as "line-items" to be funded from single county LGEDF accounts. All LGEDF line-item projects will be administered by GOLD/KCDO. Contact Stephanie Stumbo or Julie Black at 800-346-5606 for information. KIA will administer the water and sewer line-item projects which appear in HB 267 as "coal severance projects" on behalf of and in partnership with KCDO. Contact Jody Hughes at 800-346-5606 or jody.hughes@ky.gov for information. Authorization for HB 267 coal severance projects will lapse unless a Memorandum of Agreement (MOA) is executed by the end of the biennium or the project is reauthorized in the next budget.

For some counties, the total amount of projects authorized from their single county account exceeds the amount of LGEDF funds projected to be allocated to them. There may also be other economic development opportunities that counties wish to pursue with LGEDF assistance. When such a shortage of funds exists, a county would have to prioritize the various project opportunities and pursue them as funds become available. A county must resolve in open session of the fiscal court to place an eligible LGEDF project above authorized line-item projects. This does not necessarily mean that the authorized projects will not receive funding. Rather, it means that the specified project would receive funding prior to some line-items, if approved.

II. ALLOCATION OF FUNDS TO COAL-PRODUCING COUNTIES

A. Eligible Grantees

Grants are available through the LGEDP to any coal producing county, or group of counties, having generated coal severance and processing taxes in the current year or any of the four previous years. These counties will receive periodic allocations of program funds to accounts in their name. Only counties with a positive account balance may apply for funds under the LGEDP. GOLD/KCDO is responsible for determining a county's status as a coal-producing county. GOLD/KCDO contact(s) are Wayne Miller, wayne.miller@ky.gov, or Stephanie Stumbo, stephanie.stumbo@ky.gov, at 800-346-5606.

KRS 42.4588(5) provides for the award of LGEDF grants for projects located in non-coal-producing counties under certain circumstances. Applications must be submitted by one or more counties with accounts in the LGEDF and there must be a reasonable expectation of job creation for residents of those counties.

B. County Accounts

Coal severance tax receipts which are transferred into the LGEDF are allocated quarterly among participating counties according to a formula specified by KRS 42.4592. As of May 2005, 39 counties participate in the LGEDF program. The allocation formula provides that one third of funds be reserved for projects benefiting two or more counties. These funds are known as "multi-county" funds and reside in a "multi-county" account. Another one-third of funds are allocated among 39 participating counties on the basis of severance taxes paid in by a county relative to the total severance taxes paid in by all participating counties. The final one-third of funds is allocated among participating counties on the basis of three criteria, weighted equally, as described below:

- The respective county's employment in mining as a percentage of its total employment;
- The respective county's earnings from mining as a percentage of its total earnings; and,
- The respective county's surplus labor rate (a concept similar to unemployment) as published by the Kentucky Department for Employment Services.

LGEDF funds allocated to counties reside in individual state maintained accounts known as "single county" accounts, one for each participating county. Funds may accumulate without penalty, and without lapsing, until such time as projects are approved for expenditure by the commissioner of GOLD.

The LGEDF Program consists of two types of awards which are: (1) HB 267 "Line-item" awards and (2) "Grant" awards (formerly awarded and administered by the Kentucky Economic Development Cabinet-DRD). Although the method in which funds are awarded to projects is different, the administration and monitoring procedure will be the same for both line-item awards and grant awards. This will assure compliance, efficiency and accountability for funds received.

III. GUIDELINES RELATING TO GRANT AWARDS WITHIN THE LGEDF PROGRAM

A. Grant Awards

1. Categories of "Grants"

Grants are awarded in one of three categories:

- (a) **Single County Development Projects:** Projects located in and of primary benefit to individual counties and using only funds from a county's individual account;
- (b) **Joint County Development Projects:** Projects of economic benefit to two or more coal-producing counties which use funds from the individual accounts of the participating counties; and
- (c) **Regional Industrial Park or Regional Business Park Projects:** Projects of economic benefit to three or more counties, at least two of which are coal-producing counties. Regional industrial park projects are, in general, funded from the multi-county account. Regional Industrial Park/Business Park applications are accepted on an invitation only basis and are submitted to the Cabinet for Economic Development.

All counties participating in a regional industrial authority and LGEDF assisted regional industrial/business park must enter into an inter-local agreement approved by each fiscal court. After an inter-local agreement has been executed to form a regional authority, counties will name authority members, who in turn will incorporate the entity by filing articles of incorporation and authority bylaws. Economic benefits expected to be realized from a project (i.e. tax revenues) will be outlined within the inter-local agreement.

Counties and authorities face various legal issues from time to time during the application and grant process. KCDO can give guidance on these issues.

2. Funding Availability

Grants may be awarded to a coal-producing county or two or more coal-producing counties based upon the applicant having a project eligible for funding and having funds available to finance the project. Funding of a project will not be approved until uncommitted funds in the appropriate LGEDF account are sufficient to pay for the project (except as noted in Section III B. 4.).

3. Award of Coal Severance Grant Projects

The commissioner of GOLD is responsible for final approval of all LGEDF grants following the recommendation of KCDO executive director and the approval/award by an Intergovernmental Coordination Group. In order for a project to be funded, a determination must be made regarding project need, reasonability of costs and overall project effectiveness. The statutory criteria existing for the approval of all industrial development project requests and awarding of funds includes:

- the number of jobs to be created or preserved, directly or indirectly, as a result of the project;
- payrolls and state and local taxes generated from the employment created or preserved by the development project;
- the size, nature and cost of the development project, including the potential of the industrial development project to provide long-term jobs in enterprises consistent with the changing economies of the affected local units of government;
- the needs and degree of needs of the local units of government that will be affected by the development project;
- the needs of the eligible company benefiting from the industrial development project;
- the amount and kind of assistance available to an eligible company from other government agencies;
- the amount of capital made available to the facility by lenders and from the company's own funds; and
- the economic feasibility of the project.

Additional guidelines have been established to administer projects which fall under an expanded eligibility for use of funds. These eligibility categories include nonrecurring investments in:

- Public health and safety;
- Economic development;
- Public infrastructure;
- Information technology development and access; and
- Public water and wastewater development.

Applications for awards under one or more of these categories must meet the following review criteria:

- The project must substantiate and address a need that is significant to the community;
- The project must substantiate that coal severance funding is necessary to meet the identified need(s) and that the impact of the funds is maximized. In the event other funding sources will be utilized in addition to coal

severance funds, assurance will be made that all other feasible public and/or private funding sources have been applied for and are in place to assure adequate funding for project completion; and

- The project must substantiate that the accomplishments will be significant relative to need, amount of requested funds and local effort.

4. Contractual Agreements

No funds shall be made available under the LGEDP until such time as all participating parties have signed an agreement. KCDO is responsible for the preparation of all contractual agreements and the disbursement of funds. Any event of default of the grant agreement may result in a forfeiture of all LGEDP funds remaining under that agreement. In addition, funds already disbursed may be required to be returned to GOLD and to the respective LGEDF account. Each project will be governed by its own agreement outlining its own specific and unique terms.

5. Encumbrances of Grant Funds

Grant proceeds may only be used for eligible activities. Grantees (or their designated administering agencies) cannot assign, mortgage, encumber, nor convey any portion of grant proceeds to any person or entity without the express written consent of the commissioner of GOLD.

6. Recapture of Grant Funds

Grantees are encouraged to develop projects where a repayment of funds will occur. For example, if funds are used to develop a building or industrial park, land within the park or the facility constructed should be sold or leased (rather than given) to industrial firms.

When grant proceeds or income are earned from a single county LGEDF project, the county or authority is required to maintain and account for all these funds in a "project proceeds account," a separate, interest bearing account established by the county or authority. Annually, with each 4th quarterly report (June 30), LGEDF grantees having recaptured funds must complete the Project Proceeds Report Form and return the report and total receipts which remain in their project proceeds account. No expenditure may be made from these accounts without the express written approval of either the commissioner of GOLD or the executive director of KCDO.

At any time if the balance of a county's project proceeds account exceeds \$100,000, the entire balance, which includes interest, must be returned to GOLD/KCDO within 10 days of reaching that amount. In the event there is a sale of property and/or facility, the recaptured funds from that sale must be returned to GOLD within 30 days after closing. In cases where property and/or facilities are leased, the agreement between the "grantee" and their respective "lessee" shall reflect language assuring the lease payments are paid directly to GOLD. KCDO will redeposit all recaptured funds into the respective single county account and those funds will become available for eligible activities within the LGEDF program.

The policy above will apply to all single county projects, including those covered by an existing grant agreement. No new project application or request will be considered until a county has agreed to abide by these terms.

7. Audit Requirements

All grants from the LGEDF are subject to an independent annual audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, the provisions of Office of Management and Budget Circular A-133, "Audits of State and Local Governments," if applicable, and the Audit Guide for Fiscal Court Audits issued by the Kentucky Auditor of Public Accounts. The audit report shall include a certification that the funds were expended for the purpose intended. A copy of the audit and certification of compliance shall be forwarded to GOLD no later than 12 months after the end of each fiscal year in which LGEDP funds were received by a county or regional authority.

8. Funding Requirement

The applicant/recipient of LGEDF funds shall certify to GOLD that they have identified and applied for all available sources of funding for the project.

B. ELIGIBLE DEVELOPMENT PROJECTS

1. Definition of Industrial Development Projects

Grants from the LGEDF may be used for industrial development purposes. In general, the term “industrial development projects” refers to the development of a specific site for manufacturing or service activities that meet the criteria set forth in this section. An industrial development project includes the acquisition of any real estate and the construction, acquisition and installation of improvements and facilities necessary and useful for the improvement of the real estate for conveyance or lease to industrial firms and approved non-industrial firms. In some cases LGEDF funding will be used as a result of an industrial development project, as in the case of workforce training activities.

2. Eligible Project Costs

LGEDF grant proceeds may be used for the following:

- acquisition of real estate;
- preliminary engineering work including surveying, site tests and inspections;
- engineering design and inspection costs;
- appraisal costs;
- subsurface site work;
- excavation, removal of structures, roadways, cemeteries and other surface obstructions;
- filling, grading and provision drainage;
- storm water retention;
- installation of utilities, such as water, sewer, sewage treatment, gas, electricity, communications and other similar facilities;
- offsite construction of utilities extensions to the boundaries of the real estate;
- rail facilities;
- roads, sidewalks, curbs and other improvements to the real estate necessary for its use by eligible companies;
- signage;
- workforce training;
- debt service as outlined below in Section 4;
- Legal, engineering, marketing and accounting approved under KRS 42.4588 for projects funded under the Regional Industrial Park Program; and
- Other activities allowed under KRS 42.

3. Definition of “Other” Qualified Projects

Grants from the LGEDF may be used to support nonrecurring investments in public health and safety, economic development, public infrastructure, information technology development and access, and public water and wastewater development as set forth in HB 267, Operating Budget, Section A-Item 9, Sub-section (17) “Parameters for County Flexibility,” with concurrence of both the respective fiscal court and GOLD.

4. Debt Service

KRS 42 allows counties eligible to participate in the LGEDF to borrow funds in anticipation of future receipts into their respective single county accounts, although no grant may be approved for more than is anticipated to be available in its single county account through the end of the current biennium. Counties are encouraged to seek formal approval through the normal LGEDF application process before obligating themselves to debt payments.

5. Ineligible Activities

LGEDF grants may not be used:

- for recurring investments/expenses or working capital;
- for industrial development projects that redistribute jobs within Kentucky;
- for projects that present unfair competition for established Kentucky firms;
- to construct or develop facilities used for coal mining, coal processing or coal transportation;

- to underwrite general governmental activities, including the refinancing of existing debt incurred for government activities; nor
- to finance LGEDF project administration or economic development marketing efforts, except as authorized under KRS 42.4588 for the Regional Industrial Park Program (see eligible costs).

C. COMPANIES ELIGIBLE TO BENEFIT FROM LGEDF GRANTS

1. Industrial Firms

The LGEDP provides for grants that will assist counties in attracting new industry where either:

- there is an industrial firm, new or existing, agreeing to undertake an industrial development project and meeting the minimum wage and fringe benefit criteria described in Section 4 below; or
- the expenditure of funds from the LGEDF will assist in the creation of an environment to attract new industrial firms to coal-producing counties.

KRS 42.4588(11)(b) defines an “industrial firm” as any legal entity that will construct and develop a facility for manufacturing, processing or assembling on the site of an industrial development project funded through the LGEDP.

2. Non-Industrial Firms

The commissioner of GOLD also may approve facilities for projects to be occupied by non-industrial firms, so long as the facilities will add value to a product and meet the minimum wage and fringe benefit criteria described in Section 4 below. Facilities considered value-added would perform one or more of the following functions:

- data processing;
- telecommunication;
- distribution.

The commissioner of GOLD may also approve privately owned facilities for transient lodging and recreation where the commissioner finds that the cost of the recreation component of the facility is equal to, or greater than, the cost of the lodging component of the facility.

3. Ineligible Firms

KRS 42.4588(3) prohibits grants from the LGEDF to develop facilities for firms engaged in mining, processing or transportation or coal.

4. Wage and Benefit Requirements

Companies benefiting from LGEDF grants must comply with minimum wage and benefit levels required for participation in the Cabinet for Economic Development administered tax credit programs. These minimum levels are specific to each county and are subject to annual revision by the cabinet. Benefiting companies will be required to submit annual compliance reports in the form of an affidavit certifying that the required levels have been maintained. GOLD/KCDO will require certification by the Cabinet for Economic Development that all hiring, wage and benefit requirements have been met. Please contact the cabinet or KCDO for minimum levels for a particular county.

D. TYPES OF GRANTS *(Include but are not limited to):*

1. Property Acquisition and Industrial Site Development

LGEDF projects involving the acquisition of land or the development of an industrial site must meet the following standards:

(a) Obtaining Site Control

Before submission of the application, the grantee or its administering agency must have control of the site, either by option or contract for purchase (contract must be contingent upon the approved recommendation of the qualified KCDO staff and the commissioner’s approval of the site). Options and contracts for purchase should state a

purchase price and the length of term of the option or contract, include a legal description of the property and be signed.

(b) Site Feasibility

Prior to submitting a proposal for site acquisition and development, prospective LGEDP grantees should consult with KCDO for approval of a site. Grant funds may be made available to conduct appraisals and other related activities, such as an engineering test, to assure the site is suitable for use of LGEDP activities prior to the purchase of the land. This may include using some of the county's LGEDP funds to pay for one or more independent third party consultants chosen by GOLD/KCDO to verify or confirm the feasibility of a site.

(c) Criteria for Industrial Sites

Listed below are the minimum site standards recommended by KCDO for approval of a site for LGEDF assistance. Where appropriate, the development plan for a site may include a provision of adequate infrastructure or other improvements.

- Reasonably level, with good drainage;
- Flood-free site based on a 100-year modified flood plain;
- Factors such as load-bearing capacities of the soil and/or bedrock, the types of soil or rock, faults, groundwater depth and types;
- Direct access to a major Triple-A highway or street;
- Stable water supply;
- Peak day excess water volume sufficient for industry;
- Adequately sized water line (a minimum of an 8-inch line);
- Adequate water pressure for fire suppression;
- Excess wastewater processing capacity;
- Minimum size line for industrial sewer service should be 6-inch forced main or 8-inch gravity line;
- Phase I environmental site assessment performed prior to purchase;
- No acid mined drainage on the property;
- Access roads should have grades of 8% or less;
- Fee simple title;
- 60-year title opinion and title insurance; and
- Demonstrated geotechnical and other factors suitable for use by the prospective industry.

(d) Real Property Restrictions

For any project involving an improvement to real estate, the county receiving an LGEDF grant must file a Declaration of Covenants, Conditions and Restrictions on that property, limiting the use of the real estate and any improvements to activities compatible with the statutes governing this program and the restrictions contained in these guidelines. At the request of the county and its local administering agency, and with the approval of the commissioner of GOLD or the executive director of KCDO, this covenant may be broadened to include projects or activities not specified in these guidelines.

The Declaration of Covenants, Conditions and Restrictions must be prepared as a part of the grant documents and must be valid for a period of 20 years. GOLD staff attorney is available to assist in drafting the Covenants and must approve the Declaration of Covenants, Conditions and Restrictions final version. No encumbrance of the real estate nor modification of the restrictive covenants on the real estate shall occur without the written approval of the GOLD commissioner.

2. Speculative Buildings/Other Buildings

Construction of speculative (spec) buildings is an eligible site improvement activity. When reviewing requests for LGEDF funding for spec buildings, KCDO will consider need, availability of matching funds and a marketing plan as well as other project attributes.

Construction of buildings and completion of spec buildings for lease to specific industrial firms or other eligible entities are also eligible activities.

3. Training Grants

(a) Workforce Training

Workforce training, in general, is an eligible activity under the LGEDF program. Counties or industrial authorities may request approval of grant funds to provide various kinds of skill development or advancement.

(b) Job Training Grants

KCDO will consider a wide range of training activities to include forms of on-the-job training and wage subsidies. Job training funds are available to companies locating in one of the Regional Business Parks that hire residents of participating counties, or companies locating in an eligible county that hire employees from that county. The company must meet eligibility criteria under the LGEDF Program and one of the following tax credit programs: KREDA, KJDA, KIDA or KIRA.

Applications for job training grants will be accepted from individual counties or regional industrial authorities depending upon the circumstances. KCDO will rely upon the Cabinet for Economic Development in providing assistance in structuring such grant proposals. KCDO will require the cabinet to certify subsequent to any such approved proposals, that all requirements have been met. Projects endorsed by the cabinet and KCDO staff will be forwarded to the commissioner of final action. Applications must include a description of the training to be provided and the type of jobs being created. Under no circumstances will job training grant funds be approved for wage subsidies that, when combined with other wage subsidy programs, exceed the actual wage paid to the employee.

E. APPLYING FOR GRANTS

The successful initiation of a development project through the LGEDP consists of a three-part process.

1. Step 1 – Project Proposal “Pre-application”

Project proposals or “pre-apps” may be submitted to KCDO located in Frankfort and Prestonsburg. The two-page pre-application process is informal and allows a county to present an idea, a project and/or location for a project site to KCDO for review and approval prior to a request for submission of a full application. It allows KCDO to provide guidance on the development of the project application, as well as to make a determination on the eligibility of the project prior to the submission of a complete grant application. KCDO’s field staff and KCDO administrative and engineering staff are readily available to assist in the development of an LGEDP project.

For projects involving location of a new industrial firm or the expansion of an existing firm, the Cabinet for Economic Development may suggest projects to KCDO who may then invite the county or the industrial authority (county designee) to submit a pre-app.

2. Step 2 – Preliminary Technical Studies

For those projects involving the development of a site, a grant may be awarded from the LGEDF to conduct preliminary studies (e.g. property appraisals and site evaluation). When technical information is required, KCDO may ask the county or authority to submit a grant request and a fiscal court resolution to underwrite the cost of professional services necessary to provide information about a site prior to submission of a complete grant application. Such costs could include appraisals, sub-surface soil investigations, or more detailed engineering studies to determine off-site infrastructure costs.

KCDO also may require the applicant to fund an independent evaluation of the site by a qualified third-party consultant of KCDO’s choosing. In either case, the commissioner of GOLD and/or the executive director of KCDO will ask the county or authority to submit an application for a specific sum of funds to cover these costs. The executive director must endorse the project request and the commissioner must approve this grant request before funds can be awarded and disbursed.

3. Step 3 – Grant Application

Upon determination of the viability to develop a proposed project, the applicant will be asked to submit a full grant application to KCDO. In projects involving direct assistance to a beneficiary/company, applicants will be required to submit both Part I and Part II of the LGEDF program application. Applicants applying for general infrastructure or spec building projects without a direct beneficiary will only be required to submit Part I. Applications must be accompanied by an economic incentive disclosure statement and a resolution certified by the clerk of the respective fiscal courts authorizing the application. If a

development authority is involved in the project, it also must submit a resolution. The fiscal court must also submit as part of the pre-application and application process a letter certifying to GOLD that they had identified and applied for all available sources of funding.

KCDO executive staff and staff engineer will review all applications on a monthly basis. Applications shall be due into KCDO office by the 1st of every month for review within that month. Applications received after the 1st will be reviewed in the subsequent month of receipt of the application. Once applications have been determined by KCDO to have been accurately completed and all documentation submitted, KCDO executive director will package the grant application and present to the Intergovernmental Coordination Group for review, approval and/or denial and then submit to the commissioner for final approval of the award.

Blank applications can be obtained from, and completed grant applications should be returned to:

Governor's Office for Local Development
Kentucky Community Development Office
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601
800-346-5606
(502) 573-2939 FAX

Online applications can be obtained at www.gold.ky.gov

IV. GUIDELINES RELATING TO HB 267 LINE-ITEM PROJECTS WITHIN THE LGEDF PROGRAM

A. Line-item Awards

1. Line-item Projects Defined

Line-items are projects awarded by the General Assembly and listed in HB 267 (2005) for individual coal producing counties. A specific award recipient and funding amount is provided in HB 267 for each project. All line-item awards will be made in compliance with HB267.

2. Funding Availability

Award of a project may be approved only when uncommitted funds in the appropriate single county LGEDF account are sufficient to pay for the project.

Line Item projects established by the General Assembly in the budget circumvent statute, therefore, line item projects will take precedent over grants in the event that all funds from the respective county's single county account have been obligated or committed. The two exceptions to this policy are:

1. If the grant application is related to an industrial/economic recruitment of a new business/industry (this will require support letters from the respective legislators to be submitted along with grant pre-application);
2. If the county account has a surplus or uncommitted balance of funds.

3. Award of Coal Severance Projects authorized by HB 267 "Line-item Projects"

HB 267 "Line-item Projects" may be awarded to a coal producing county recipient if funding balances in the appropriate LGEDF account are sufficient to pay for the project, the project has been approved for expenditure by the commissioner of GOLD and GOLD/KCDO is in receipt of a resolution specific to the line-item project, a detailed scope of work, a budget detailing the use of funds and a completed authorization signature form. In the event of "line-items" that are generic by description (i.e. "various projects" or "economic development"), KCDO reserves the right to request specific information to define the utilization of the funds, which includes but is not limited to scope of work, engineering cost estimates, estimated budgets etc. as required in a grant application.

The commissioner of GOLD in coordination with the Governor's Office is responsible for the final decision of the award order in the event that county account receipts/balances are not sufficient to fully fund all of the line-item projects. Decisions will be based on the prioritization lists and input by KCDO executive director upon receipt of all technical requirements (i.e. scope of work, resolutions and project budget).

4. Contractual Agreements

No funds shall be made available for a particular project until such time as all participating parties have signed an agreement. KCDO is responsible for the preparation of all contractual agreements and the disbursement of funds. Failure to comply with "line-item" agreements may result in the withholding of funds and additional actions to enforce the terms and conditions of the agreement. In addition, funds already disbursed may be required to be returned to GOLD and to the respective LGEDF account. Each project will be governed by its own agreement outlining its own specific and unique terms.

5. Audit Requirements

All awards from the LGEDF are subject to an independent annual audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, the provisions of Office of Management and Budget Circular A-133, "Audits of State and Local Governments," if applicable, and the Audit Guide for Fiscal Court Audits issued by the Kentucky Auditor of Public Accounts. The audit report shall include a certification that the funds were expended for the purpose intended. A copy of the audit and certification of compliance shall be forwarded to GOLD no later than 12 months after the end of each fiscal year in which LGEDF funds were received by a county or regional authority.

V. GENERAL ADMINISTRATIVE GUIDELINES: LGEDF GRANTS AND HB 267 LINE-ITEMS

A. Grant Agreement/ Memorandum of Agreement (MOA)

When KCDO announces the award of an LGEDF Grant or recognizes the authorization of a line-item award from the General Assembly, the grant applicant/recipient will receive a non-binding letter of intent describing the general nature and requirements of the award. A grant agreement/MOA will outline the specific terms of the award to include procedures for obtaining the funds. Among these terms is a requirement that any covenants, mortgages and/or security instruments be recorded in the applicable county clerk's office. The grant agreement/MOA will be forwarded for signatures of the grant recipient or development authority, GOLD representatives and beneficiary firms, if applicable.

Requests for Disbursement forms may be submitted with appropriate receipts and/or invoices at any time during the grant period, but only after a Grant Agreement/MOA has been fully executed with signatures by all parties.

Please note: On HB 267 coal severance "line-item" projects, KCDO MUST be in receipt of the following items in order to develop and issue the MOA: resolution, detailed "scope of work," project budget and the signature authorization forms.

B. Procurement

Since LGEDF monies are state funds, their use for procurement of goods and services must comply with KRS 45A as well as local procurement guidelines. It is suggested that grantees contact their local attorney for advice.

C. Disbursement of Funds

To receive funds, the county will complete a Request for Disbursement form accompanied by (when appropriate) estimates, receipts, payroll records, operating bills and/or invoices which are relevant to the request. Requests for Disbursements may be submitted as needed and as costs are encumbered. After the request form is received and approved by KCDO, a check will be forwarded to the recipient/grantee as payment in the amount of the request. The Project Manager/Administrator and KCDO executive director must approve all disbursement requests. Depending on the nature of the disbursement, the staff engineer's approval may also be required. Recipients/grantees should allow four weeks between the submission of a disbursement request and receipt of a check.

The recipient/grantee may request an initial advancement of funds up to but not to exceed \$50,000. Upon submission of the initial Request for Disbursement the recipient/grantee must provide support documentation explaining and showing justification for the amount of requested funds to be advanced. In the event the request for advancement of funds is approved by KCDO then the recipient/ grantee must subsequently report all expenditures of funds and provide copies of all receipts, invoices etc. to account for said expenditures. No additional funds shall be released until the advanced amount has been properly expended.

No disbursement of funds for HB 267 "line-item" projects or coal severance "grant" projects will be made without receipt by KCDO of the Request for Disbursement form and its required support attachments (invoices, estimates and receipts). If the

recipient/grantee fails to comply with these guidelines or any requirement of the MOA, Requests for Disbursement will be held and no disbursement of funds will be made until compliance has been determined by KCDO. In addition, if the recipient/grantee is not current on reporting requirements, all Requests for Disbursement will be held and no disbursement of funds will be made until compliance has been determined by KCDO.

Electronic Funds Transfer (EFT) is an option for grantees who wish not to receive a check by mail. KCDO staff will assist with interested parties regarding EFT arrangements.

KCDO shall maintain a project file on all coal severance projects both HB 267 “line-items” and awarded “grant” projects. KCDO staff will provide monitoring of activities relative to the scopes of work and the Grant Agreements/MOA’s, project accounting, cost estimates, line-item budgets, change orders, all legal documentation, progress reports and compliance with all reporting requirements and disbursement requests. KCDO reserves the right to request any and all related documentation relative to the completion of the project for review and recording in the file at any time during the project and upon completion before close-out. KCDO will complete site monitoring on all projects awarded over \$100,000 during the course of the project and prior to project close-out to assure project completion to the specified scope. KCDO reserves the right to make site visits on any and all projects regardless of award amount if deemed necessary.

D. Project Reporting Requirements

Upon execution of the Grant Agreement/MOA the recipient/grantee shall be required to provide quarterly progress reports. Quarterly reports shall be due the 30th day following the end of a quarter.

First Quarter: July-September is due on October 30th

Second Quarter: October –December is due on January 30th

Third Quarter: January –March is due on April 30th

Fourth Quarter: April-June is due on July 30th

This schedule applies throughout the period of the project.

Recipients/grantees shall complete the Quarterly Report form for each project awarded. Each section of the form must be completely filled out with any related support documentation relevant to the project and any pending documentation related to a Request for Disbursement, such as all expenditures of funds for that quarter (i.e. receipt and invoices). Failure to submit or fully complete the required report will place recipient/grantee in noncompliance status at which time KCDO staff will assist to complete necessary corrections and/or submissions within a reasonable timeframe.

E. Project Close-out Process

All projects will require submission of a Completion Report for accountability on the utilization of state funds. Each section of the form must be completely filled out with any related support documentation relevant to the project and with any required pending documentation attached. Final disbursement of funds may be held to assure compliance and receipt of the required reporting.

Upon receipt of the close-out report and/or final draw on a project, KCDO Fiscal Officer or Staff Assistant will send a letter to the county, authority or other recipient for signature authorizing KCDO to close-out the disbursement aspect of the project and confirming that all items are complete and the project is finished. Upon receipt of a signed close-out letter and all final required documentation, KCDO staff will notify KCDO field staff which has the responsibility for monitoring LGEDF projects. KCDO staff will complete one on-site review prior to the final close-out of the respective project by KCDO/GOLD. Monitoring questions may be directed to the executive director of KCDO or GOLD general counsel at 800-346-5606. Grantees/recipients can expect to receive letters of inquiry from KCDO staff or legal counsel from time to time. The monitoring process involves an annual review of factors listed below, as applicable: (may *include but not be limited to*)

- job requirement;
- audit requirement;
- recaptured LGEDF funding;
- contractual requirements as determined by the grant agreement;

- minimum wage and benefit levels;
- guideline compliance;
- financial reporting and documentation.

This process closes the financial aspect of KCDO projects. The terms of the executed grant agreement for a particular project may set forth other ongoing obligations for that particular project and any continued activity with KCDO.

Summary of Legal Issues

Kentucky Community Development Office

Governor's Office for Local Development

Periodically, the Governor's Office for Local Development (GOLD) may provide letters outlining various legal issues that counties or industrial development authorities may find useful in the grant application process and as projects progress. Below are summaries of issues that have presented themselves in the past. For additional detail, please contact Andy Barr, general counsel, or Rich Ornstein, staff attorney, at 800-346-5606 or by email at garlandh.barr@ky.gov or rich.ornstein@ky.gov.

Open Meetings Law

The Kentucky Open Meetings Act can be found in KRS 61.805 to 61.850, and requires all public agencies to give public notice of their meetings. The Attorney General's office has brochures that explain the law in detail, but there are particular requirements under the law that public agencies, including authorities, should understand.

Generally, the place for all meetings must be one that is convenient to the public and meetings must be held at specified times. A public agency should provide for a schedule of regular meetings by ordinance, order, resolution, bylaws or by some other means. The schedule must be made available to the public.

Minutes of actions taken at every meeting must be kept by public agencies, and must set forth an accurate record of votes and actions taken. These minutes must be open for inspection by the public no later than the conclusion of the agency's next public meeting.

To the extent possible, meeting room conditions should allow for effective public observation of the meetings. No person attending the meeting can be required to identify himself in order to attend the meeting. The agency cannot place conditions on attendance of the public at a meeting other than the conditions required to maintain order. Since the General Assembly has not established procedural rules for the conduct of meetings and citizen participation, each agency must adopt its own rules and procedures. Additionally, public agencies must permit news media coverage, including recording and broadcasting.

All meetings that are not regularly scheduled are considered "special meetings," and are subject to certain additional requirements. The presiding officer or a majority of the members of a public agency may call a special meeting. The agency must provide written notice of the special meeting, including the date, time, and place of the special meeting and the agenda.

As soon as possible, written notice must be personally delivered, transmitted by facsimile, or mailed to every member of the agency and each media organization which files a written request to receive notice of special meetings. The statute does not allow for special meeting notice by electronic mail (email). Notice should be received at least twenty-four hours in advance of the special meeting. Written notice must also be posted in a conspicuous place in the building where the special meeting will take place, and in a conspicuous place in the building where the agency has its headquarters. The posting must also be done as soon as possible and posted at least twenty-four hours before the special meeting.

If an emergency prevents the public agency from complying with these requirements for a special meeting, the agency must make a reasonable effort to notify the members of the agency, media organizations which have filed a written request to be notified, and the public of the "emergency meeting." At the beginning of the emergency meeting, the person chairing the meeting must describe for the record the emergency that prevented compliance with the notice provisions, and these comments should appear in the minutes. Discussions and actions at the emergency meeting must be limited to the emergency for which the meeting was called.

The open meetings act allows a public agency to discuss certain subjects in a closed or executive meeting if notice is given in the regular meeting of the general nature of the business to be discussed, and the agency cites the specific exemption authorizing the closed session. A closed session may be held only after a motion is made and carried in open session, and no final action may be taken in closed session.

Open Meetings Law (cont.)

The exemptions to the open meetings act include:

- Deliberations of the Kentucky Parole Board;
- **Deliberations on the future acquisition or sale of real property by a public agency when publicity would likely affect the value of the property;**
- **Discussions of proposed or pending litigation involving a public agency;**
- Grand or petit jury sessions;
- Collective bargaining negotiations between public employers and their employees;
- **Discussions or hearings that might lead to the appointment, dismissal, or disciplining of an individual employee, member, or student. However, general personnel matters may not be discussed in private;**
- **Discussions between a public agency and a representative of a business entity and discussions concerning a specific proposal, if open discussions would jeopardize the location, retention, expansion, or upgrading of the business;**
- State and local cabinet meetings and executive cabinet meetings;
- Committees of the General Assembly other than standing committees;
- Deliberations of judicial or quasi-judicial bodies involving individual adjudications or appointments. This does not include meetings of planning commissions, zoning commissions, or boards of adjustments; and
- Meetings which federal or state law or the Constitution require to be conducted privately.

The Open Meetings Act prohibits any series of less than quorum meetings, where the members attending one or more of the meetings collectively constitute at least a quorum of the members of the agency, if the meetings are held to avoid the requirements of the act. This prohibition does not preclude discussions between individual members if the purpose of the discussion is to educate the members on specific issues.

Proxy Voting

Proxy voting by directors of an authority is not allowed under Kentucky statutes. Directors may vote by video-telephone, where the public can both see and hear the participant, but cannot vote by telephone only. However, directors cannot act in lieu of a meeting by unanimous written consent, as this would violate the requirements of the Open Meetings Act.

Tax Status of Development Authority

Industrial Development Authorities created under KRS 154.50-301 to 154.50-346 can receive an exemption from state sales and use tax by the Kentucky Revenue Cabinet. At least two of the regional industrial authorities have done so. An authority must submit an "Application for Purchase Exemption – Sales and Use Tax" (Form 51A125) to the Revenue Cabinet, Division of Tax Administration, Sales and Use Tax Section, 200 Fair Oaks Lane, Frankfort, Kentucky, 40620, to receive such an exemption.

As for federal tax status, an opinion rendered by Wyatt, Tarrant & Combs dated May 25, 2000 states that income accruing to authorities should be excludable from federal income taxation under Section 115 of the Internal Revenue Code, which excludes from gross income any "income derived from any public utility or the exercise of any essential governmental function and accruing to State or any political subdivision thereof."

Additionally, some regional industrial authorities have sought, and at least in one case received, tax exempt status under Internal Revenue Code Section 501(c)(6), which applies to non-profit business leagues, etc., or Section 501(c)(4), which applies to organizations promoting social welfare. It is the opinion of the attorney from Wyatt, Tarrant & Combs that an authority could obtain a federal income tax exemption under either of these sections, but that to do so would confer no special benefit, nor automatically make any contributions tax deductible.

The Kentucky Community Development Office's (KCDO) position is that an authority should consult with their local counsel to see if there is any tax advantage for that specific authority in filing for Section 501 status. There is a \$500.00 filing fee for an exemption.

Model Procurement Code

KRS Chapter 45A provides for a Model Procurement Code for procurement of state purchases. The statute provides that local “purchasing agents” MAY follow the Model Procurement Code.

For a county industrial development authority, the KCDO recommends that the authority follow whatever procurement policy the county has adopted, whether that is the Model Procurement Code, the procurement process under KRS Chapter 45, or some other established method created locally.

For a regional industrial development authority, the KCDO strongly suggests that the authority follow KRS Chapter 45A, or at a minimum KRS Chapter 45.

Wage Law

Given the intricacies of the Prevailing Wage Law, and its applicability to an industrial authority project, the KCDO encourages an authority to discuss with their local counsel and/or the Kentucky Labor Cabinet the relevance of the Prevailing Wage Law to any project with which the authority is involved.

Financial Reporting / Accounting

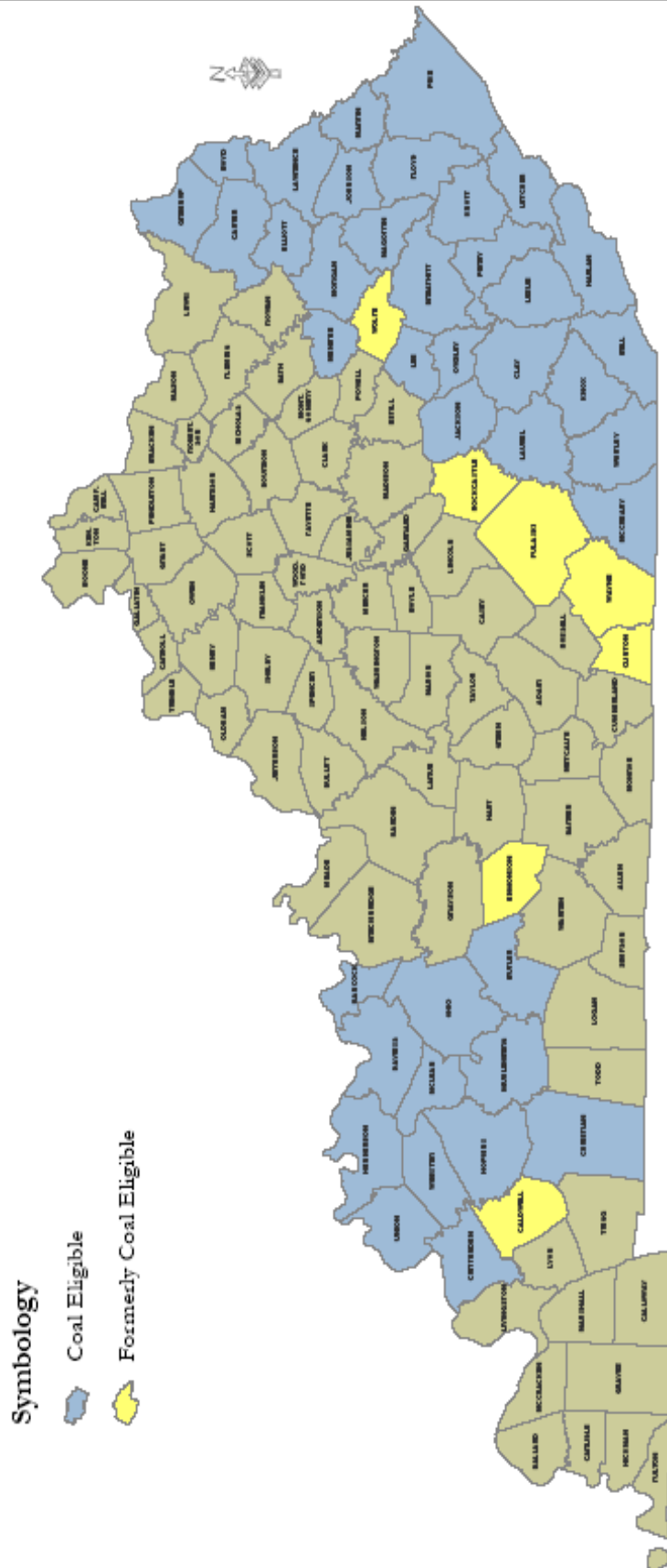
All grants are made to the impacted counties and may be administered through contracts administered by an agent of the county government or by a political subdivision of county government (for example, an industrial development authority.)

In the event that the fiscal court is going to administer the program the county (the fiscal court via the county treasurer) will receipt the fund as Fund #31 and revenue account #4508. Disbursements of funds shall be coded as 31-XXXX-XXX.

If the county is to have its agent (such as an industrial authority) administer the program it is not necessary to create a separate fund but may pass the money through an existing fund. For example, 01-4508 (General Fund/LGED receipts) and 01-5075348 (General Fund/economic development/program support). This would represent a pass-through program where an entity such as a county industrial development authority is managing the program on behalf of the county. The funds must be traceable to the final level of expenditure.

If LGEDF receipts are not included as anticipated revenue per the adopted budget the Governor’s Office for Local Development will withhold disbursements of LGEDF to the county until such time as the county has amended its budget to reflect the anticipated receipt and expenditure of this money.

Coal Severance Tax
Local Government Economic Development Fund



Office of the Governor
Governor's Office for Local Development
1024 Capital Center Drive
Frankfort, KY 40601
(800) 346-5606
<http://gold.ky.gov>



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Prepared By:
Water Resource Information System (WRIS)

May 31, 2005



LGEDF Grant Pre-Application
Single County Coal Severance
Kentucky Community Development Office
Governor's Office for Local Development

Project

Project Title: _____

LGEDF Amount Requested: \$_____ Total Project Amount: \$_____

Type of Single County Coal Severance Grant (please check one):

- ☐ Economic Development ☐ Public Health and Safety ☐ Public Water and Wastewater Development
☐ Information Technology Development ☐ Public Infrastructure ☐ Regional Industrial Park

Grantee

Legal Grantee: _____

Street Address: _____

City, State, Zip Code: _____ Office Phone: _____

Official's Name: _____ County _____

Sub-recipient

Sub-recipient (if applicable): _____

Street Address: _____

City, State, Zip Code: _____ Office Phone: _____

Contact Person: _____

Legal Counsel

Legal Counsel: _____

Street Address: _____

City, State, Zip Code: _____ Office Phone: _____

Contact Person: _____

Project Contact

Agency: _____

Street Address: _____

City, State, Zip Code: _____ Office Phone: _____

Project Contact Person: _____

Detailed Project Description

Provide a detailed narrative description of project with **ALL** relevant project information, including but not limited to project location, elements to be constructed, size of facilities, utility providers, capacity, number of jobs to be created, county impact, training to be provided, etc. (REQUIRED):

[illegible]

Please provide the estimated start and completion dates for project.

Start Date _____ Completion Date _____

Financing

Include all funding amounts and sources.

Source	Amount	Project %	Type	Rate	Term	Status
TOTAL #						

Checklist

Make sure to attach all relevant information and documentation and mail to the Kentucky Community Development Office at the Governor's Office for Local Development. **Please provide three (3) copies of the following information:**

- ☐ Pre-Application Form ☐ Attachment A-Line-Item Cost Estimate
- ☐ **ALL** funding commitment letters and details received to date. If funds are shown as cash, please provide proof of availability.
- ☐ Resolution(s) authorizing the project submission.

Disclaimer: Depending on type of proposed project, the Kentucky Community Development Office and GOLD reserve the right to request additional information and documentation specific to the nature, structure, and proposed utilization of the funds.

Attachment A: Line-item Cost Estimate

Coal Severance Grant Pre-Application/LGEDF Single-County

Kentucky Community Development Office

Governor's Office for Local Development

Please provide a detailed line-item cost estimate for all expenses related to project (groups like items together).

Item

Amount

Purpose (equipment, supplies, etc.)

Line-item Cost Estimate

Kentucky Community Development Office ▪ Governor's Office for Local Development

1024 Capital Center Drive, Suite 340 • Frankfort, KY 40601

Phone: 502-573-2382 • Toll Free: 800-346-5606 • Fax: 502-573-0175 • www.gold.ky.gov



LGEDF Grant Full Application-Grantee
Single County Coal Severance
Kentucky Community Development Office
Governor's Office for Local Development

Project

Project Title: _____

LGEDF Amount Requested: \$_____ Total Project Amount: \$_____

Type of Single County Coal Severance Grant (please check one):

- ☐ Economic Development ☐ Public Health and Safety ☐ Public Water and Wastewater Development
☐ Information Technology Development ☐ Public Infrastructure ☐ Regional Industrial Park

Grantee

Legal Grantee: _____

Street Address: _____

City, State, Zip Code: _____ Office Phone: _____

Official's Name: _____ County _____

Sub-recipient

Sub-recipient (if applicable): _____

Street Address: _____

City, State, Zip Code: _____ Office Phone: _____

Contact Person: _____

Legal Counsel

Legal Counsel: _____

Street Address: _____

City, State, Zip Code: _____ Office Phone: _____

Contact Person: _____

Checklist

Make sure to attach all relevant information and documentation and mail to the Kentucky Community Development Office at the Governor's Office for Local Development. **Please provide ten (10) copies of the following information:**

- ☐ Application ☐ All supporting documentation

Project Contact

Agency: _____

Street Address: _____

City, State, Zip Code: _____ Office Phone: _____

Project Contact Person: _____

Detailed Project Description

Provide a detailed narrative description of project with **ALL** relevant project information, including but not limited to project location, elements to be constructed, size of facilities, utility providers, capacity, number of jobs to be created, county impact, training to be provided, etc. (REQUIRED):

[illegible]

Estimated start and completion dates for project **MUST** be provided.

Start Date _____ Completion Date _____

Tax Credits

Does this project qualify for any tax credits? (circle one) yes no

If **yes**, please provide information below.

If **no**, continue to next section.

	KREDA	KJDA	KIDA	Other
Value	_____	_____	_____	_____
Years to be Received	_____	_____	_____	_____
Approval Date	_____	_____	_____	_____

Equity

Does this project use any source of equity? (circle one) yes no

If **yes**, please specify below and attach any personal/financial Statements as appropriate and other pertinent documentation to verify availability of personal cash or other funds.

If **no**, continue to next section.

☐ Personal Cash ☐ Business Cash ☐ Other _____

Loan/Lease

Please list all loan/lease agreements for this project.

Source	Amount	Project %	Type	Rate	Term	Status
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
TOTAL #	_____	_____				

Collateral

Please list any collateral necessary for this project.

Funding Source	\$ Exposure	Asset L/B/E	Position	Other
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Personal Guarantee \$ _____ Corporate Guarantee \$ _____

Project Site Information

New Site Information (complete this section if the project constitutes a new location for the participating party):

Project Site: _____ acres Building Size: _____ square feet

Check one: ☐ New Construction

☐ Acquisition of an existing building

Age: _____ Appraised Value: _____

How long has building been unoccupied? _____

Expansion Project Information (complete this section only if the project involves the expansion of an existing Kentucky facility):

Expansion of new existing facility? (circle one) yes no

Size of expansion: _____

Additions or renovations to existing building? (circle one) yes no

Explain: _____

Present Acreage: _____ acres New Acreage: _____ acres

Present Building Size: _____ sq. ft. New Building Size: _____ sq. ft.

Loan/Lease Information (for all to complete):

Do you own the site? (circle one) yes no

Date of Purchase: _____ Purchase Price: \$ _____

Is there a mortgage? (circle one) yes no

Mortgage Holder: _____ Current Balance: \$ _____

Mortgage Payment: \$ _____ Length of Agreement: _____

If you lease, who is property owner?

Property Owner _____ Lease Payment: \$ _____

Length of Agreement: _____

Site Acquisition (for all to complete):

Is this project requesting assistance for site acquisition? (circle one) yes no

If **yes**, please provide information below. If **no**, continue to next section.

Total Acreage _____ Purchase Price \$ _____

Current Ownership _____

Proposed Ownership _____

Is there an option or contract? (circle one) yes no

If **yes**, check one below and attach any documentation.☐ option☐ contract

Local Agency (cont.)

FOR SINGLE COUNTY PROJECTS ONLY

Will grantee assign the proceeds to a local agency? (circle one) yes no

Agency: _____

Street Address: _____

City, State, Zip Code: _____ Office Phone: _____

Contact Person: _____

Individual Executing Documents:

Legal Name of Individual Executing Documents: _____

Title of Individual Executing Documents: _____

Local agency is organized as (check one):

- ☐ Public properties corporation under KRS 58.180
- ☐ Industrial development corporation under KRS 154.50-316
- ☐ Non-profit corporation under KRS chapter 273
- ☐ Other _____

Legal Counsel (for local agency):

Local Agency's Legal Counsel: _____

Street Address: _____

City, State, Zip Code: _____ Office Phone: _____

Contact Person: _____ Fax: _____

Local Agency

Project Cost Summary

Complete this form for infrastructure, improvement, construction and/or training projects.

	Project Activity	LGEDF Grant	Other Funding 1	Other Funding 2	Total Cost
Acquisition	Land Acreage _____				
	Building Sq. Ft. _____				
	Engineering Review				
	Appraisal				
	Other _____				
	Other _____				
On-Site Development	Site-Prep				
	Water Lines				
	Water Treatment				
	Sewer Lines				
	Sewer Treatment				
	Engineering				
	Other _____				
	Other _____				
Off-Site Development	Access Road				
	Water Lines				
	Water Treatment				
	Sewer Lines				
	Sewer Treatment				
	Engineering				
	Other _____				
	Other _____				
Training Activities					
TOTAL COST					

Certification of Application

Please note: Eligibility for financial assistance is determined by the information presented in this application and in the required attachments. Any changes in the status of the proposed project from the facts presented herein could disqualify the project, including but not limited to, the commencement of construction. Please contact the Project Manager before taking any action that would change the status of the project as reported herein.

Certification: I hereby represent and certify that the foregoing information, to the best of my knowledge, is (a) true, complete and accurately and fairly describes the proposed project for which financial assistance is sought; and (b) does not contain any information for which an entity competing with the applicant may claim a proprietary interest. I further certify that to the best of my knowledge and based upon due inquiry, neither I, nor any of the proposed guarantors or officers, directors or principals associated with the applicant are or were at the time of this application, directors or officers of, or otherwise have a fiduciary duty toward, an entity that is or may be in competition with the applicant. As used herein, applicant shall include any person or entity that is guaranteeing any proposed loan.

The undersigned, on behalf of the applicant, acknowledges that even though the information contained in this application, or which may hereafter be communicated to the Project Manager, contains confidential and proprietary information, it may be subject to public disclosure to the extent required by law pursuant to any request made pursuant to the Kentucky Open Records Act, Chapter 61 of the Kentucky Revised Statutes. In addition, the applicant acknowledges and agrees this application will be released to the local jurisdiction(s) where the project is intended to be located. Notwithstanding the above, except as otherwise agreed to by the applicant in writing, no confidential or proprietary information shall be disclosed if properly excluded from disclosure under KRS 61.878 (as determined by the Authority, the Kentucky Attorney General, or Court of Competent Jurisdiction).

Approval of applications and the award of grants by KCDO shall be based upon the following lists of criteria. The undersigned, on behalf of the applicant, acknowledges that these criteria were utilized in the planning of the project.

- 1) The number of jobs to be created or preserved, directly or indirectly, by the industrial development project;
- 2) Payrolls, and the taxes generated by the employment created or preserved by the industrial development project;
- 3) The size, nature and cost of the industrial development project, including the prospect of the industrial development project providing long-term jobs in enterprises consistent with the changing economies of the affected local units of government;
- 4) The needs, and degree of needs, of the local units of government which will be affected by the industrial development project;
- 5) The needs of any industrial firm benefiting from the industrial development project;
- 6) The amount and kind of assistance, if any, available to an industrial firm from other government agencies through tax exemption or abatement, financing assistance through industrial development bonds, and otherwise, with respect to the industrial development project;
- 7) The amount of capital made available to the facility by lenders and by the industrial firm; and
- 8) The economic feasibility of the facility.

Local Official and Authority, please sign below:

Signature_____

Signature_____

Printed Name_____

Printed Name_____

Title_____

Title_____

Date_____

Date_____

Economic Incentive Disclosure Statement

Instructions

INSTRUCTIONS: This Economic Incentive Disclosure Statement is required in order to process your economic incentive package with the Governor's Office for Local Development (GOLD). In accordance with the Executive Branch Code of Ethics, Chapter 11A of the Kentucky Revised Statutes ("KRS"), before any final action on any contract or agreement by which a bond, grant, lease, loan, assessment, incentive, inducement, or tax credit is awarded, the beneficiary of such contract or agreement must file with the approving board or authority a disclosure statement stating (i) the identity of the beneficiary of the economic incentive package, (ii) the identity of any person employed to act on behalf of the beneficiary with respect to the economic incentive package, (iii) the details of any financial transaction (as defined in KRS 11A.201(5)(a)) between the beneficiary (or any other person listed as an employee or agent of the beneficiary) and any agent or public servant of the Governor's Office for Local Development, or any other public servant involved in the negotiation of the economic incentive package.

NOTE: For purposes of KRS 11A.201(5)(a), "financial transaction" means a transaction or activity that is conducted or undertaken for profit and arises from the joint ownership, or the ownership, or part ownership in common, of any real or personal property or any commercial or business enterprise of whatever form or to the general public on the same terms.

NOTE: Final action on economic incentive packages will not be taken without receipt of this Economic Incentive Disclosure Statement. Upon final approval of the economic incentive package by the applicable board or authority, this Economic Incentive Disclosure Statement will be filed with the Executive Branch Ethics Commission and the Kentucky Economic Development Partnership. Beneficiaries of economic incentive packages are encouraged to consult with their legal counsel with respect to this Economic Incentive Disclosure Statement.

Beneficiary

Beneficiary's Legal Name: _____

Type(s) of Economic Incentive Package(s): _____

Agents or Employees of Beneficiary

Please identify all employees or agents of the Beneficiary which have acted on behalf of the Beneficiary in its dealings with the Governor's Office for Local Development or any Board or Authority within or attached to the Governor's Office for Local Development (please attach separate sheet if additional room is needed):

Name _____ Title _____

Organization _____

Name _____ Title _____

Organization _____

Name _____ Title _____

Organization _____

Agents or Employees of Beneficiary (cont.)

Name _____	Title _____
	Organization _____
Name _____	Title _____
	Organization _____
Name _____	Title _____
	Organization _____
Name _____	Title _____
	Organization _____
Name _____	Title _____
	Organization _____
Name _____	Title _____
	Organization _____

Financial Transactions

Please detail any "financial transactions" between the Beneficiary (or any other person listed as an employee or agent of the Beneficiary) and (i) any agent or public servant of the Governor's Office for Local Development, (ii) any member of any board or authority within or attached to GOLD, or (iii) any other public servant involved in the negotiation of the economic incentive package (please attach separate sheet if additional room is needed):

Agent/Employee of Beneficiary	Agent/Public Servant of GOLD	Description of Financial Transaction
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Financial Transactions (cont.)	Agent/Employee of Beneficiary	Agent/Public Servant of GOLD	Description of Financial Transaction

Signature	The undersigned, a duly authorized representative of the Beneficiary listed above, hereby certifies that the information set forth in this Economic Incentive Disclosure Statement has been reviewed, and is true and correct to the best of the knowledge of the undersigned.	
	Signature: _____	Date: _____
	Name (Typed or Printed): _____	

LGEDF Grant Application-Beneficiary
 Single County Coal Severance
 Kentucky Community Development Office
 Governor's Office for Local Development

Note: The beneficiary is the company to benefit from the LGEDF grant proceeds.

Beneficiary Company Information

General Information

Corporate/Business Name: _____

Street Address: _____

City, State, Zip Code: _____ Office Phone: _____

Contact Person: _____ Fax: _____

Type of Organization (check one):
☐ Corporation ☐ Subchapter S ☐ Subchapter C ☐ 501c3 ☐ Partnership

☐ Proprietorship ☐ Limited Liability Partnership ☐ Limited Liability Corporation

Date Business Established: _____ Date of Incorporation: _____

State of Incorporation: _____

Optional (check all that apply):
☐ Franchise ☐ Minority ☐ Women Owned

☐ Union ☐ Vietnam Veteran

Parent/Corporate

Corporate Name (if applicable): _____

Street Address: _____

City, State, Zip Code: _____ Office Phone: _____

Contact Person: _____ Fax: _____

Federal Employer ID#: _____ KY Employer ID#: _____ SIC Code: _____

Parent/Corporate (cont.)

Type of Organization (check one):

- ☐ Corporation ☐ Subchapter S ☐ Subchapter C ☐ Partnership
☐ Proprietorship ☐ Limited Liability Partnership ☐ Limited Liability Corporation

Date Business Established: _____ Date of Incorporation: _____

State of Incorporation: _____

Additional Information

Type of Business (provide narrative description of business operation):

Utilization of LGEDF (provide narrative description of how LGEDF will be used):

Has either the beneficiary company or the parent company
previously participated in other Kentucky incentive programs? (circle one) yes no

If **yes**, please provide further information below.

Program: _____ Amount: \$ _____

Location: _____ Approximate Date: _____

Ownership

Please identify the major owners of the company. Include all owners with 5% or more interest in the company. For subsidiaries, identify owners of the parent company; for a public company, indicate if publicly traded.

Name: _____ Social Security #: _____

Street Address: _____

City, State, Zip Code: _____ Phone: _____

Name: _____ Social Security #: _____

Street Address: _____

City, State, Zip Code: _____ Phone: _____

Name: _____ Social Security #: _____

Street Address: _____

City, State, Zip Code: _____ Phone: _____

Name: _____ Social Security #: _____

Street Address: _____

City, State, Zip Code: _____ Phone: _____

Name: _____ Social Security #: _____

Street Address: _____

City, State, Zip Code: _____ Phone: _____

Previous Violations

Have any of the parties involved (company/business, parent company/corporate, any major owners of company) ever been convicted of any criminal offenses, been in receivership or adjudicated a bankruptcy, been denied a business related license, or had it suspended or revoked by any administrative, governmental, or regulatory agency? (circle one) yes no

Please list any violation and explain: _____

Legal Counsel

Legal Counsel Name: _____
 Street Address: _____
 City, State, Zip Code: _____ Phone: _____
 Contact Person: _____ Fax: _____

Contractor

Contractor: _____
 Street Address: _____
 City, State, Zip Code: _____ Office Phone: _____
 Project Start Date: _____ Project Completion Date: _____

Project Site Information

New Site Information (complete this section if the project constitutes a new location for the participating party):

Project Site: _____ acres Building Size: _____ square feet

Check one: ☐ New Construction
☐ Acquisition of an existing building

Age: _____ Appraised Value: _____

How long has building been unoccupied? _____

Expansion Project Information (complete this section only if the project involves the expansion of an existing Kentucky facility):

Does the project involve additions or renovations to an existing building? (circle one) yes no

Does the project involve the relocation of an existing company/business? (circle one) yes no

Explain: _____

Present Acreage: _____ acres New Acreage: _____ acres

Present Building Size: _____ sq. ft. New Building Size: _____ sq. ft.

Loan/Lease Information (for all to complete):

Do you own the site? (circle one) yes no

Date of Purchase: _____ Purchase Price: \$ _____

Is there a mortgage? (circle one) yes no

Mortgage Holder: _____ Current Balance: \$ _____

Mortgage Payment: \$ _____ Length of Agreement: _____

If you lease, who is property owner?

Property Owner: _____ Lease Payment: \$ _____

Length of Agreement: _____

Lease terms after expansion (if different): _____

Site Acquisition (for all to complete):

Is this project requesting assistance for site acquisition? (circle one) yes no

If **yes**, please provide information below. If **no**, continue to next section.

Total Acreage _____ Purchase Price \$ _____

Current Ownership _____

Proposed Ownership _____

Is there an option or contract? (circle one) yes no

If **yes**, check one below and attach any documentation.☐ option☐ contract

Project Cost Summary

Complete this form for acquisition and construction projects.

Project Activity		Amount				
Estimated Project Costs	Land Acreage_____					
	Building Sq. Ft._____					
	Improvement (existing buildings)					
	Equipment					
	Building Fixtures					
	Other _____					
	Subtotal (Fixed Assets Costs)					
	Working Capital					
	TOTAL					

Proposed Project Financing		Type of Financing	Amount	Percent of Financing	Interest Rate	Payback Period	Project Annual Debt Service
	Fixed Assets	LGEDF					
		Bank					
		Other					
		Other					
		Equity					
		Subtotal (Fixed Assets)					
	Working Capital	Bank					
		Equity					
		Other					
		Subtotal (Working Capital)					
TOTAL FINANCING							

Workforce/Job Training Grant

Workforce Grant

Please explain proposed use of Workforce/Job Training Grant (e.g. wage subsidy, classroom instruction):

Employment Projections

Please provide employment projections for project. *If part time employment is being created, please also indicate full time equivalents and an explanation of the formula used to determine full time equivalents. Without this information part time jobs will not be used in the calculation of jobs.

	Full Time	Part Time	*Full Time Equivalents of Part Time Jobs
Current number of jobs at project location	<hr/>	<hr/>	<hr/>
New jobs to be created	<hr/>	<hr/>	<hr/>
TOTAL number of jobs projected 2 years after completion	<hr/>	<hr/>	<hr/>
Number of jobs retained because of project	<hr/>	<hr/>	<hr/>

Explanation of formula used to determine full time equivalents of part time jobs:

Please state number of jobs to be created in each category below as well as accompanying information.

Job Category	Number of Jobs	Average Hourly Wage	Average Annual Wage	LGEDF Training*	Other Training**	Fringe Benefits***
Skilled	_____	_____	_____	_____	_____	_____
Semi-Skilled	_____	_____	_____	_____	_____	_____
Unskilled	_____	_____	_____	_____	_____	_____
Managerial	_____	_____	_____	_____	_____	_____
Technical	_____	_____	_____	_____	_____	_____
Other	_____	_____	_____	_____	_____	_____
Total Benefits				_____	_____	_____

*Provide estimated LGEDF Training (if applicable) for project proposal involving Job Train Grants. Calculation should be based on the average hourly wage minus current Federal Minimum Wage.

**Provide estimated value of other training benefits including BSSC, Welfare to Work, and other related workforce training programs.

***Provide estimated value of fringe benefits and a description of the fringe benefit pack to be provided.

Description of Fringe Benefit Package: _____

Certification of Application

Please note: Eligibility for financial assistance is determined by the information presented in this application and in the required attachments. Any changes in the status of the proposed project from the facts presented herein could disqualify the project, including but not limited to, the commencement of construction. Please contact the staff of the Authority before taking any action that would change the status of the project as reported herein.

Certification: I hereby represent and certify that the foregoing information, to the best of my knowledge, is (a) true, complete and accurately and fairly describes the proposed project for which financial assistance is sought; and (b) does not contain any information for which an entity competing with the applicant may claim a proprietary interest. I further certify that to the best of my knowledge and based upon due inquiry, neither I, nor any of the proposed guarantors or officers, directors or principals associated with the applicant are or were at the time of this application, directors or officers of, or otherwise have a fiduciary duty toward, an entity that is or may be in competition with the applicant. As used herein, applicant shall include any person or entity that is guaranteeing any proposed loan.

The undersigned, on behalf of the applicant, acknowledges that even though the information contained in this application, or which may hereafter be communicated to the Authority, contains confidential and proprietary information, it may be subject to public disclosure to the extent required by law pursuant to any request made pursuant to the Kentucky Open Records Act, Chapter 61 of the Kentucky Revised Statutes. In addition, the applicant acknowledges and agrees this application will be released to the local jurisdiction(s) where the project is intended to be located. Notwithstanding the above, except as otherwise agreed to by the applicant in writing, no confidential or proprietary information shall be disclosed if properly excluded from disclosure under KRS 61.878 (as determined by the Authority, the Kentucky Attorney General, or Court of Competent Jurisdiction).

Please sign below:

Signature_____

Printed Name_____

Title_____

Date_____

Kentucky Cabinet For Economic Development--Division of Research

Minimum Required Hourly Wages and Benefits by County For Receiving Incentives Under KRED, KJDA, KIDA, and KEOZ

County	Wage	Benefit	County	Wage	Benefit	County	Wage	Benefit
Adair	\$ 7.73	\$ 8.89	Grant	\$ 7.73	\$ 8.89	McLean	\$ 7.73	\$ 8.89
Allen	\$ 7.80	\$ 8.97	Graves	\$ 9.04	\$ 10.39	Meade	\$ 7.73	\$ 8.89
Anderson	\$ 9.50	\$ 10.92	Grayson	\$ 7.73	\$ 8.89	Menifee	\$ 7.73	\$ 8.89
Ballard	\$ 10.30	\$ 11.85	Green	\$ 7.73	\$ 8.89	Mercer	\$ 10.30	\$ 11.85
Barren	\$ 8.61	\$ 9.90	Greenup	\$ 9.99	\$ 11.48	Metcalfe	\$ 7.73	\$ 8.89
Bath	\$ 7.73	\$ 8.89	Hancock	\$ 10.30	\$ 11.85	Monroe	\$ 7.73	\$ 8.89
Bell	\$ 7.73	\$ 8.89	Hardin	\$ 9.45	\$ 10.86	Montgomery	\$ 7.73	\$ 8.89
Boone	\$ 10.30	\$ 11.85	Harlan	\$ 7.73	\$ 8.89	Morgan	\$ 7.73	\$ 8.89
Bourbon	\$ 9.54	\$ 10.97	Harrison	\$ 9.44	\$ 10.86	Muhlenberg	\$ 7.77	\$ 8.93
Boyd	\$ 10.30	\$ 11.85	Hart	\$ 7.73	\$ 8.89	Nelson	\$ 9.19	\$ 10.57
Boyle	\$ 8.95	\$ 10.30	Henderson	\$ 9.88	\$ 11.37	Nicholas	\$ 7.73	\$ 8.89
Bracken	\$ 7.73	\$ 8.89	Henry	\$ 8.36	\$ 9.61	Ohio	\$ 7.73	\$ 8.89
Breathitt	\$ 7.73	\$ 8.89	Hickman	\$ 7.73	\$ 8.89	Oldham	\$ 9.60	\$ 11.04
Breckinridge	\$ 7.73	\$ 8.89	Hopkins	\$ 8.94	\$ 10.28	Owen	\$ 8.13	\$ 9.35
Bullitt	\$ 8.11	\$ 9.33	Jackson	\$ 7.73	\$ 8.89	Owsley	\$ 7.73	\$ 8.89
Butler	\$ 7.73	\$ 8.89	Jefferson	\$ 10.30	\$ 11.85	Pendleton	\$ 7.73	\$ 8.89
Caldwell	\$ 7.73	\$ 8.89	Jessamine	\$ 9.11	\$ 10.48	Perry	\$ 8.50	\$ 9.78
Calloway	\$ 7.87	\$ 9.05	Johnson	\$ 7.73	\$ 8.89	Pike	\$ 7.98	\$ 9.18
Campbell	\$ 9.70	\$ 11.15	Kenton	\$ 10.30	\$ 11.85	Powell	\$ 7.73	\$ 8.89
Carlisle	\$ 7.73	\$ 8.89	Knott	\$ 7.73	\$ 8.89	Pulaski	\$ 7.98	\$ 9.18
Carroll	\$ 10.30	\$ 11.85	Knox	\$ 7.73	\$ 8.89	Robertson	\$ 7.73	\$ 8.89
Carter	\$ 7.73	\$ 8.89	Larue	\$ 7.73	\$ 8.89	Rockcastle	\$ 7.73	\$ 8.89
Casey	\$ 7.73	\$ 8.89	Laurel	\$ 8.39	\$ 9.65	Rowan	\$ 7.73	\$ 8.89
Christian	\$ 9.07	\$ 10.44	Lawrence	\$ 8.64	\$ 9.93	Russell	\$ 7.73	\$ 8.89
Clark	\$ 9.50	\$ 10.92	Lee	\$ 7.73	\$ 8.89	Scott	\$ 10.30	\$ 11.85
Clay	\$ 7.73	\$ 8.89	Leslie	\$ 7.74	\$ 8.90	Shelby	\$ 10.30	\$ 11.84
Clinton	\$ 7.73	\$ 8.89	Letcher	\$ 7.73	\$ 8.89	Simpson	\$ 9.88	\$ 11.36
Crittenden	\$ 7.76	\$ 8.92	Lewis	\$ 7.73	\$ 8.89	Spencer	\$ 7.73	\$ 8.89
Cumberland	\$ 7.73	\$ 8.89	Lincoln	\$ 7.73	\$ 8.89	Taylor	\$ 7.73	\$ 8.89
Daviess	\$ 9.22	\$ 10.61	Livingston	\$ 7.73	\$ 8.89	Todd	\$ 8.31	\$ 9.55
Edmonson	\$ 7.73	\$ 8.89	Logan	\$ 9.67	\$ 11.12	Trigg	\$ 8.37	\$ 9.62
Elliott	\$ 7.73	\$ 8.89	Lyon	\$ 7.73	\$ 8.89	Trimble	\$ 10.15	\$ 11.67
Estill	\$ 7.73	\$ 8.89	Madison	\$ 8.56	\$ 9.85	Union	\$ 7.73	\$ 8.89
Fayette	\$ 10.30	\$ 11.85	Magoffin	\$ 7.73	\$ 8.89	Warren	\$ 9.65	\$ 11.09
Fleming	\$ 7.73	\$ 8.89	Marion	\$ 8.05	\$ 9.25	Washington	\$ 8.06	\$ 9.27
Floyd	\$ 8.32	\$ 9.57	Marshall	\$ 10.30	\$ 11.85	Wayne	\$ 7.73	\$ 8.89
Franklin	\$ 9.09	\$ 10.45	Martin	\$ 7.73	\$ 8.89	Webster	\$ 7.73	\$ 8.89
Fulton	\$ 8.05	\$ 9.26	Mason	\$ 8.71	\$ 10.02	Whitley	\$ 7.80	\$ 8.97
Gallatin	\$ 10.30	\$ 11.85	McCracken	\$ 9.70	\$ 11.16	Wolfe	\$ 7.73	\$ 8.89
Garrard	\$ 7.73	\$ 8.89	McCreary	\$ 7.73	\$ 8.89	Woodford	\$ 10.30	\$ 11.85
*Four Star Regional Industrial Park Hourly Wage = \$8.81 (\$10.13 With Benefits)					*EastPark Regional Industrial Park Hourly Wage = \$9.34 (\$10.74 With Benefits)			

* For KRED projects only

Source—Wage & Benefit Averages: Derived from annual 2000 data provided by the Kentucky Cabinet for Workforce Development, Department for Employment Services, Division for Administrative and Financial Management, Research and Statistics Branch, ES-202 Series, *Total Wages and Average Monthly Workers Covered by Kentucky Unemployment Insurance Law-2000*.

LGEDF Line-Item Project Profile
Kentucky Community Development Office
Governor's Office for Local Development

Project

Project Title: _____

Type of Project (construction, revitalization, purchase of land/equipment, etc.): _____

Grantee

Legal Grantee: _____

Street Address: _____

City, State, Zip Code: _____ Office Phone: _____

Official's Name: _____

Detail Scope

In broad terms, please describe each project activity and how it addresses the overall project.

1) _____

2) _____

3) _____

4) _____

5) _____

Detail Scope (cont.)	6)	
	7)	
	8)	
	9)	
	10)	

Please provide a detailed list of the cost break-down of line-item amounts (use and amount).

Detail Cost Break-down	Use	Amount
	1)	
	2)	
	3)	
	4)	
	5)	
	6)	
	7)	
	8)	
	9)	
10)		

Signature

Please check that resolution is attached and sign to certify that all information is complete and correct.

☐

Resolution is attached.

☐

Priority list is attached.

Signed _____ Date _____

Kentucky Community Development Office ▪ Governor's Office for Local Development
1024 Capital Center Drive, Suite 340 ▪ Frankfort, KY 40601
Phone: 502-573-2382 ▪ Toll Free: 800-346-5606 ▪ Fax: 502-573-0175 ▪ www.gold.ky.gov



Signature Authorizations
LGEDF Local Government Projects
Kentucky Community Development Office
Governor's Office for Local Development

Commissioner and "authorized signature" must sign below. Also, any third party recipients must sign form.

Project	Project Title: _____
	Type of Project (construction, revitalization, purchase of land/equipment, etc.): _____

Grantee	Legal Grantee: _____
	Street Address: _____
	City, State, Zip Code: _____ Office Phone: _____
	Official's Name: _____
Commissioner	Name: _____

	Signed _____ Date _____
	Name and Title of Alternate for commissioner: _____

Third Party	Signed _____ Date _____
	Name and Title of Third Party Recipient: _____
Third Party	_____
	Signed _____ Date _____

Continued

Name and Title of Alternate for Third Party Recipient (Typed): _____

Signed _____ Date _____

FOR GOLD USE ONLY

For GOLD use only

Name and Title of GOLD Administrator (Typed): _____

Signed _____ Date _____

Name and Title of Alternate for Gold Administrator (Typed): _____

Signed _____ Date _____

Sample Resolutions
Kentucky Community Development Office
Governor's Office for Local Development

**SAMPLE COUNTY RESOLUTION
AUTHORIZING PROJECT APPLICATION AND ADMINISTRATION**

**RESOLUTION OF THE
_____ COUNTY FISCAL COURT**

ADOPTION OF A RESOLUTION OF THE _____ COUNTY FISCAL COURT AUTHORIZING THE FILING OF A KENTUCKY LOCAL GOVERNMENT ECONOMIC DEVELOPMENT FUND ("LGEDF") PROJECT PROPOSAL/GRANT APPLICATION FOR UP TO \$ _____ IN LOCAL GOVERNMENT ECONOMIC DEVELOPMENT SINGLE COUNTY FUNDS ON BEHALF OF _____ COUNTY TO THE GOVERNOR'S OFFICE FOR LOCAL DEVELOPMENT (GOLD) FOR _____ PROJECT; AUTHORIZING AND DIRECTING THE _____ COUNTY JUDGE/EXECUTIVE TO EXECUTE ANY DOCUMENTS WHICH ARE DEEMED NECESSARY BY GOLD TO CARRY OUT THIS PROJECT; AND AUTHORIZING THE JUDGE/EXECUTIVE TO ACT AS THE AUTHORIZED CORRESPONDENT FOR THIS PROJECT.

WHEREAS, _____ County ("County") desires to promote and carry out economic development efforts on behalf of the residents of _____ County by supporting the _____ Project; and

WHEREAS, it is recognized that LGEDF monies available to the County for the purposes stated herein, pursuant to KRS 42.4582 to 42.495, impose certain obligations and responsibilities upon the County and will require among other things:

- (1) Approval of a satisfactory application transmitted to GOLD for approval; and,
- (2) Other obligations of the County in connection with receiving the LGEDF grant of monies for the purposes stated herein;

NOW, THEREFORE, be it resolved this _____ day of _____, 200__, by _____ County Fiscal Court:

That a Project Proposal/Grant Application on behalf of the County for LGEDF monies up to \$ _____ for _____ Project shall be submitted to the Kentucky Community Development Office of GOLD, the County shall provide such additional information and furnish such documentation as may be required, and the County Judge/Executive shall act as the authorized correspondent for this Project.

Done this _____ day of _____, 200__. Motion by _____ and seconded by _____, members present voting unanimously in favor.

By: _____
County Judge/Executive

ATTEST:

By: _____

Its: _____

**SAMPLE AUTHORITY RESOLUTION
AUTHORIZING PROJECT APPLICATION AND ADMINISTRATION**

RESOLUTION OF THE _____ AUTHORITY

ADOPTION OF A RESOLUTION OF THE _____ AUTHORITY ("AUTHORITY") AUTHORIZING THE FILING OF A KENTUCKY LOCAL GOVERNMENT ECONOMIC DEVELOPMENT FUND ("LGEDF") PROJECT PROPOSAL/GRANT APPLICATION FOR UP TO \$_____ IN LOCAL GOVERNMENT ECONOMIC DEVELOPMENT SINGLE COUNTY FUNDS ON BEHALF OF _____ COUNTY (*COUNTIES*) TO THE GOVERNOR'S OFFICE FOR LOCAL DEVELOPMENT ("GOLD") FOR THE _____ PROJECT; AUTHORIZING AND DIRECTING THE AUTHORITY TO EXECUTE ANY DOCUMENTS WHICH ARE DEEMED NECESSARY BY GOLD TO CARRY OUT THIS PROJECT; AND AUTHORIZING THE CHAIRMAN OF THE AUTHORITY TO ACT AS THE AUTHORIZED CORRESPONDENT FOR THIS PROJECT.

WHEREAS, the _____ Authority ("Authority") desires to promote and carry out economic development efforts on behalf of the _____ County (*Counties*) and the (*their*) residents by (*Description of Project*) _____; and

WHEREAS, it is recognized that LGEDF monies available to the Authority for the purposes stated herein, pursuant to KRS 42.4582 to 42.495 impose certain obligations and responsibilities upon the Authority and will require among other things:

- (3) Approval of a satisfactory application transmitted to GOLD for approval;
- (4) Other obligations of the Authority in connection with receiving the LGEDF grant of monies for the purposes stated herein;

NOW, THEREFORE, be it resolved this _____ day of _____, 200__, by _____ Authority:

That a Project Proposal/Grant Application on behalf of the Authority for LGEDF monies up to \$_____ for the _____ Project shall be submitted to the Kentucky Community Development Office of GOLD, the Authority shall provide such additional information and furnish such documentation as may be required, and the Chairman of this Authority shall act as the authorized correspondent for this Project.

Done this _____ day of _____, 200__. Motion by _____ and seconded by _____, members present voting unanimously in favor.

By: _____
_____, Chairman
_____ Authority

ATTEST:

By: _____

Its: _____

**SAMPLE COUNTY RESOLUTION
AUTHORIZING AUTHORITY PROJECT APPLICATION AND ADMINISTRATION**

**RESOLUTION OF THE
_____ COUNTY FISCAL COURT**

A RESOLUTION AUTHORIZING AND DIRECTING THE _____ AUTHORITY TO APPLY FOR \$_____ IN LOCAL GOVERNMENT ECONOMIC DEVELOPMENT SINGLE COUNTY FUNDS ON BEHALF OF _____ COUNTY TO THE GOVERNOR'S OFFICE FOR LOCAL DEVELOPMENT ("GOLD") FOR THE _____ PROJECT, TO EXECUTE ANY DOCUMENTS WHICH ARE DEEMED NECESSARY BY GOLD TO FACILITATE THIS PROJECT, AND DIRECTING THE CHAIRMAN OF THE _____ AUTHORITY TO ACT AS THE AUTHORIZED CORRESPONDENT FOR THIS PROJECT.

WHEREAS, the _____ County Fiscal Court recognizes the importance of a diversified economy capable of providing stable, high-paying jobs for the residents of _____ County ("County"); and

WHEREAS, the _____ Authority ("Authority") desires to promote and carry out economic development efforts on behalf of the County and its residents through the _____ Project; and

WHEREAS, it is recognized that Local Government Economic Development Fund ("LGEDF") monies available to the County for the purposes stated herein, pursuant to KRS 42.4582 to 42.495 impose certain obligations and responsibilities upon the County and will require among other things:

- (1) Approval of a satisfactory application transmitted to GOLD for approval; and,
- (2) Other obligations of the County in connection with receiving the LGEDF grant of monies for the purposes stated herein.

NOW, THEREFORE, be it resolved this _____ day of _____, 200__, by the _____ County Fiscal Court:

That the Authority is hereby authorized to submit a Project Proposal/Grant Application on behalf of the County for a LGEDF Project of up to \$_____ from the County's Single County account, to provide such additional information and to furnish such documentation as may be required by GOLD for the furtherance of the _____ Project, with the Chairman of the Authority as the authorized correspondent for this project;

Done this _____ day of _____, 200__. Motion by _____ and seconded by _____, members present voting unanimously in favor.

By: _____
County Judge/Executive

ATTEST: _____

Its: _____

RESOLUTION
CITY / COUNTY OF _____

A RESOLUTION OF THE CITY/COUNTY OF _____, KENTUCKY AUTHORIZING THE MAYOR / COUNTY JUDGE/EXECUTIVE TO ENTER INTO AN AGREEMENT WITH THE GOVERNOR'S OFFICE FOR LOCAL DEVELOPMENT (GOLD) FOR THE PROJECTS LISTED BELOW, TO EXECUTE ANY DOCUMENTS WHICH ARE DEEMED NECESSARY BY GOLD TO FACILITATE THESE PROJECTS AND TO ACT AS THE AUTHORIZED CORRESPONDENT FOR THESE PROJECTS.

WHEREAS, the City/County of _____ hereby authorizes the filing of an application with the Kentucky Governor's Office for Local Development for coal severance tax moneys approved by the 2005 General Assembly through House Bill 267 authorizing the following projects for local administration through a local grant program; and

(list projects here)

WHEREAS, it is recognized that the coal severance monies available to the City/County for the purposes stated herein impose certain obligations and responsibilities upon the City/County.

NOW, THEREFORE, be it resolved this ____ day of _____, 200__, by the _____ City Council/Fiscal Court:

That the Mayor / County Judge/Executive is hereby authorized to execute and furnish all required documentation including a memorandum of agreement as may be required by GOLD for the furtherance of the above referenced projects and to act as the authorized correspondent for said projects.

Done this ____ day of _____, 200__. Motion by _____ and seconded by _____, members present voting unanimously in favor.

By: _____
Mayor / County Judge/Executive

ATTEST: _____

Its: _____

Recorded in Book ____ Page ____.

Request for Disbursement Form
Local Government Projects
Kentucky Community Development Office
Governor's Office for Local Development

Please check one of the following:

- ☐ Local Government Economic Development Fund (LGEDF)-Line-item ☐ LGEDF-Grant
☐ Community Economic Growth Grant (CEGG)
-

Legal Grantee: _____

Street Address: _____

City, State, Zip Code: _____ Office Phone: _____

Contact Name: _____

Date of Request: _____

Amount Requested: _____ Federal Tax Number: _____

Project Name: _____

A. Status of Funding:

1. Original Total Award Amount: _____
2. Funding Disbursements to Date: _____
3. Amount of Grant Being Requested: _____
4. New Account Balance: _____

B. Summary of Payees of Amount Requested:

- | | | |
|----|-------|-------|
| 1. | _____ | _____ |
| 2. | _____ | _____ |
| 3. | _____ | _____ |
| 4. | _____ | _____ |
| 5. | _____ | _____ |
| 6. | _____ | _____ |

Total Amount of Funding Request: _____

C. Certification: _____ County ("Recipient") hereby makes this request to the Kentucky Community Development Office ("KCDO") for a disbursement of funding made by KCDO to the Recipient. The Recipient hereby represents, warrants and certifies to KCDO that (i) this request is made in accordance with the terms and conditions of that certain grant agreement as represented in the executed memorandum of agreement and any subsequent amendments thereto (the "Memorandum of Agreement"), (ii) the Person executing this instrument on behalf of Recipient is duly authorized to execute and deliver this request, (iii) Recipient requires the amount requested to meet its current payment obligations in connection with the Project as described in the Memorandum of Agreement, (iv) each of the representations, warranties and covenants of Recipient in the Memorandum of Agreement is true and correct on the date hereof, including but not limited to compliance with KRS 154.50-336, (v) no Event of Default under the Memorandum of Agreement has occurred and is continuing, (vi) all work performed by any contractors and subcontractors has been completed in a good and workmanlike manner and in accordance with all applicable contracts, (vii) all work performed by any contractors and subcontractors has been inspected and approved by Recipient prior to the date hereof, and (viii) no contractors or subcontractors have filed liens or have threatened to file liens of any type with respect to the Project. Please note that item (viii) is applicable to grants only. Unless otherwise defined herein, all capitalized terms shall have the meanings ascribed thereto in the Memorandum of Agreement.

Recipient has attached to this request all supporting documentation (cost estimates, invoices and/or receipts, etc.) deemed necessary by KCDO, in its sole discretion, for the amount of the disbursement requested.

RECIPIENT ACKNOWLEDGES THAT THE REPRESENTATIONS AND WARRANTIES SET FORTH HEREIN AND IN THE MEMORANDUM OF AGREEMENT ARE MATERIAL INDUCEMENTS UPON WHICH KCDO WILL RELY IN MAKING THE DISBURSEMENT OF GRANT PROCEEDS REQUESTED HEREIN. RECIPIENT ACKNOWLEDGES THAT BUT FOR THE TRUTH OF THE REPRESENTATIONS AND WARRANTIES MADE HEREIN AND IN THE MEMORANDUM OF AGREEMENT, KCDO WOULD NOT MAKE THE DISBURSEMENT OF THE GRANT PROCEEDS REQUESTED HEREIN. RECIPIENT ACKNOWLEDGES AND AGREES THAT KCDO IS REASONABLY ENTITLED TO RELY UPON THE REPRESENTATIONS AND WARRANTIES SET FORTH HEREIN AND IN THE MEMORANDUM OF AGREEMENT.

IN WITNESS WHEREOF, Recipient, by its duly authorized representative, has executed this Request for Disbursement as of the date written above.

By: _____
Authorized Recipient Signature

FOR KCDO USE ONLY

Award Amount: \$ _____

Account Number: _____

Disbursements To Date: \$ _____

Approved By: _____

Amount of Request: \$ _____

Approved By: _____

New Account Balance: \$ _____

Approval Date: _____

Comments:

Kentucky Community Development Office • Governor's Office for Local Development
1024 Capital Center Drive, Suite 340 • Frankfort, KY 40601
Phone: 502-573-2382 • Toll Free: 800-346-5606 • Fax: 502-573-0175 • www.gold.ky.gov



LGEDF Project Proceeds Report (For Stream of Payments and Lump Sum Receipts)

This report is required of all LGEDG Recipients that receive or may receive any project proceeds.

Grantee Information

Grantee (County or Authority) _____

Address: _____

Contact Person: _____

Address: _____

Email Address: _____

Phone Number: _____ FAX Number: _____

Report for Year Ending June 30, 20__

Certification

The Grantee's County Judge/Executive or Authority Chairman certifies that:

- A.) To the best of his/her knowledge and belief, the information in this report is true and correct as of the date of the report.
- B.) All supporting documentation has been attached hereto.
- C.) No event of default has occurred or is continuing under the terms and conditions set forth in the Grant Agreement for this project.
- D.) All representations and warranties made by the Grantee in the Grant Agreement for this project are true and correct as of this date.

Typed Name of County Judge/Executive or Chairman: _____

Title: _____

Signature of County Judge/Executive or Chairman: _____

Date: _____

GOLD Only

Reviewed By: _____ Date: _____

Project Name: _____

1.) If no project proceeds account has been established, complete the following certification:

The aforesigned hereby certifies on behalf of the Grantee that no qualifying project proceeds have been received by the Grantee through the end of the fiscal year set forth above which would necessitate the creation of a project proceeds account.

By: _____
County Judge/Executive or Authority Chairman

2.) If a project proceeds account has been established, complete the following report:

Date Account Opened: _____ Account Number: _____

Name of Bank (including city): _____

Name of Account: _____

Project Proceeds Account Balance as of Prior Fiscal Year End: \$ _____

Gross Income Received from any Periodic Payment Stream:
(this FY; Attach Description) _____

Gross Income Received from Any Lump Sum Payments:
(this FY; Describe on Page Three) _____

Interest Income Earned through Fiscal Year End: _____

Less: Costs Incurred from receipt of Payment Stream: < _____ >
(Attached Supporting Documentation)

Less: Expenditures for KCDO Approved Uses: < _____ >
(Attached Supporting Documentation)

(Sum of the above items)
Net Project Proceeds through Fiscal Year End: \$ _____

Less: Funds Previously Remitted to KCDO - this Fiscal Year < _____ >
(Attached Supporting Documentation)

Residual funds to be remitted to KCDO/GOLD
(by July 30 annually; payable to Kentucky State Treasurer) _____

Describe Any Lump Sum Payments from the Sale of Property

Attach a Legal Description of the Real Property Conveyed

Date of Closing: _____

Contract Sale Price: \$ _____

Less: Closing Costs: _____
(Attach Settlement Statement)

Less: Other Costs: _____
(Attach Supporting Documentation)

Net Proceeds to Grantee: \$ _____

Describe Any Other Lump Sum Payments

Description of Lump Sum Payment:

- ☐ Annual Lease Payment (of building(s) or Real Property for any purpose)
☐ Proceeds of Mortgage Loan or any type of Encumbrance
☐ Other

Describe: _____

Date of Receipt: _____

Amount of Lump Sum Payment: \$ _____

Less: Costs (Attach Supporting Documentation): _____

Net Proceeds to Grantee: \$ _____

All Single County LGEDF grantees must return total receipts and disbursements from their project proceeds account. In cases where a county reaches a cumulative balance of proceeds and interest income at any time during the year in excess of \$100,000 all funds must be returned to KCDO within 10 days of reaching that amount. In the event there is a sale of property and/or facility, the recaptured funds from that sale must be returned to GOLD within 30 days after closing. In cases where property and/or facilities are leased, the agreement between the "grantee" and their respective "lessee" shall reflect language assuring the lease payments are paid directly to GOLD. KCDO will redeposit all recaptured funds into the respective single county account and those funds will become available for eligible activities within the LGEDF program. If due, a check made payable to the Kentucky State Treasurer must be sent to KCDO, 1024 Capital Center Drive, Suite 340, Frankfort, KY 40601.

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 Phone: 502-573-2382 • Toll Free: 800-346-5606 • Fax: 502-573-0175 • www.gold.ky.gov



Quarterly Progress Report
Local Government Projects
Kentucky Community Development Office
Governor's Office for Local Development

Type of Award	Please check one of the following:	
	<input type="checkbox"/> Local Government Economic Development Fund (LGEDF)-Line-item	<input type="checkbox"/> LGEDF-Grant
	<input type="checkbox"/> Community Economic Growth Grant (CEGG)	

Project	Project Title: _____
	Type of Project (construction, revitalization, purchase of land/equipment, etc.): _____
	Project Allocation: \$ _____

Grantee	Legal Grantee: _____
	Street Address: _____
	City, State, Zip Code: _____ Office Phone: _____
	Official's Name: _____
	City/County/Other _____ Account Number _____
	Was applicant a pass-thru agency to third-party recipient? (circle one) yes no
If yes , please list third-party recipient _____	

Project Status	Please check the appropriate quarter of this progress report:			
	<input type="checkbox"/> July-Sep (1 st)	<input type="checkbox"/> Oct-Dec (2 nd)	<input type="checkbox"/> Jan-March (3 rd)	<input type="checkbox"/> April-June (4 th)
	Have all funds allocated for this project been received and expended? _____			
If yes , please complete the <i>Project Completion Report</i> and send to the Governor's Office for Local Development, attention to the Kentucky Community Development Office.				

Project Status (cont.)

If **no**, please explain any delays or problems with project. Make sure to provide an estimated date for completion (REQUIRED):

Financial Information

Is there a disbursement request attached? (circle one) yes no

Is the financial back-up document attached? (circle one) yes no

Total number of previous draws: _____ Total amount of disbursements received to date: _____

Please list all financial transactions within the quarter:

Payable	Amount	Purpose (equipment, supplies, etc.)
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Certification of Recipient

Name and Title of Chief Executive Officer: _____

Signed _____ Date _____

Name and Title Third Party Recipient: _____

Signed _____ Date _____

For GOLD use only

FOR GOLD USE ONLY: This *Quarterly Progress Report* is hereby approved.

Name and Title of commissioner: _____

Signed _____ Date _____

Completion Report
Local Government Projects
Kentucky Community Development Office
Governor's Office for Local Development

Type of Award	Please check one of the following:	
	<input type="checkbox"/> Local Government Economic Development Fund (LGEDF)-Line-item	<input type="checkbox"/> LGEDF-Grant
	<input type="checkbox"/> Community Economic Growth Grant (CEGG)	
Project	Project Title: _____ Contract # _____	
	Type of Project (construction, revitalization, purchase of land/equipment, etc.): _____	

	Project Allocation: \$ _____	
	Total Actual Funds Received: \$ _____	
Recipient/Grantee	Has final draw been made? Yes _____ No _____	
	Legal Recipient/Grantee: _____	
	Street Address: _____	
	City, State, Zip Code: _____ Office Phone: _____	
	Official's Name: _____ County/City/Other _____	
Close-Out Narrative	Provide a narrative of how the project was completed (REQUIRED):	

Close-Out Narrative (cont.)

Completion Details

Date of Project Completion: _____

Were any designated funds left over? (circle one) yes no

If **yes**, please list dollar amount: \$ _____

Explain why (REQUIRED): _____

PLEASE NOTE: Any remaining funds must be returned to the Governor's Office for Local Development by check payable to the Kentucky State Treasurer.

Checklist

Make sure to complete all relevant forms and mail to the Kentucky Community Development Office at the Governor's Office for Local Development.

- ☐ Attachment A-Financial Report
- ☐ Attachment B-Real Property ☐ Other financial reports, invoices and relevant documentation

Attachment A: Financial Report

Local Government Projects Completion Report
Kentucky Community Development Office
Governor's Office for Local Development

Please list all financial transactions of project (group like items together).

Note: All attached forms are final *pending* completion and receipt of this financial report.

Payable

Amount

Purpose (equipment, supplies, etc.)[illegible]

Financial Summary

Signature

Check below and sign to certify attachment of all final close out documents (e.g. inspections, certification of occupancy, copies of information, permits, invoices, receipts, etc.)

☐ All copies of final close out documents are attached.

Signed _____ Date _____

Attachment B: Real Property Acquisition
 Local Government Projects Completion Report
 Kentucky Community Development Office
 Governor's Office for Local Development

Property Acquisition

Did this project involve the acquisition of real property? (circle one) yes no

If **yes**, a copy of the deed transferring title must be attached to the back of this form if not already on file at the KCDO.

Please check to certify that a copy of the deed transferring title of any real property acquisition is attached:

☐ Copy of deed is attached. ☐ Copy of property survey, meets and bounds, etc. is attached.

Signatures

It is hereby certified that all activities undertaken by the recipient with funds provided under the *Memorandum of Agreement (MOA)* have to the best of my knowledge been carried out in accordance with the *MOA* and *Project Scope of Work*, that all funds have been expended or returned to the Commonwealth of Kentucky and that every statement and amount set forth in this instrument is true and correct as of this date.

Name and Title of **Chief Executive Officer**: _____

Signed _____ Date _____

Name and Title of **Third Party Recipient**: _____

Signed _____ Date _____

For GOLD use only

FOR GOLD USE ONLY: This completion report is hereby approved. The *MOA* and all supporting documents required are received.

Name and Title of GOLD Administrator: _____

Signed _____ Date _____

All records for this project are required to be maintained for three (3) years from the date of completion.

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